



General Information: (312) 353-1880

FOR IMMEDIATE RELEASE:

Media Contact: Ronald M. Guzikki
(312) 353-1138

Thursday, March 16, 2000

Fax-on-Demand Document No. 9272

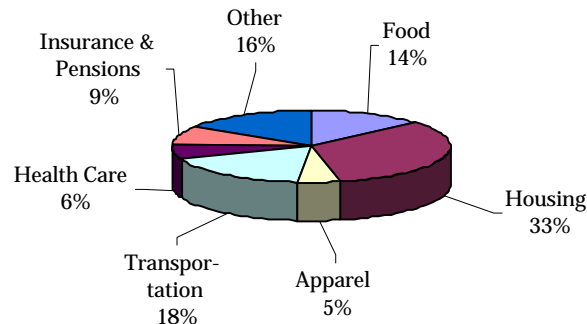
Internet address: <http://stats.bls.gov/ro5news.htm>

CONSUMER SPENDING PATTERNS IN THE CINCINNATI-HAMILTON AREA, 1997-98

Cincinnati area consumer units spent an annual average of \$36,772 in 1997-98, according to the U.S. Department of Labor's Bureau of Labor Statistics (BLS). This was approximately 5.4 percent higher than the average for the Nation, but was close to the \$36,450 spent by consumers in Cleveland. (See table 1.)

Overall, the average Cincinnati area household spent a smaller share of its total budget for transportation compared to the national average but a larger share for medical care (see table 2). Housing, food, and transportation accounted for almost two-thirds of all expenditures in 1997-98.

**Cincinnati Expenditure Shares
Consumer Expenditure Survey, 1997-98**



This report is based on data from the Consumer Expenditure Survey that is conducted on an ongoing basis by the Bureau of Labor Statistics. Survey data are collected for BLS by the Bureau of the Census. This is the only national survey that provides both complete data on household expenditures and the demographic characteristics of those households. Survey data cannot be used to make cost of living comparisons between areas. This is because expenditures vary among areas not only because of economic factors such as the price of goods and services and family income, but also because of differences such as the age of the population, climate, consumer tastes, family size, etc. The survey provides average expenditures for consumer units. An individual consumer unit may spend more or less than the average, depending on its particular characteristics.

On average, spending on housing accounted for almost one-third of all household expenditures in the Cincinnati area, about the same as for the nation as a whole. The homeownership rate in Cincinnati was 63 percent, similar to Chicago's and the national average. The majority of housing expenditures in Cincinnati (56 percent) was spent on shelter costs which include home purchase, mortgage interest, property taxes, repairs, and rent, among other items. Twenty percent of the housing cost was for utilities, fuels and services. Both shelter and utility expenditures were close to the national average.

Cincinnati area consumers spent an average of 17.6 percent of their budget on transportation, making it the second largest expenditure. Local residents spent a smaller proportion of their budget on transportation than the national average (18.6 percent) but more than Chicagoans (16.1 percent). The average number of vehicles per household in Cincinnati was 2.0, matching the nationwide average. Over 40 percent of transportation expenditures was for the net outlay (purchase price minus trade-in) for a new or used car, van or truck. This was slightly below the national average of 44 percent. Public transportation accounted for 6.8 percent of the total transportation budget in Cincinnati, compared to 9.5 percent in Chicago and 5.4 percent in Cleveland.

Cincinnati households spent 13.7 percent of their budget on food. Just over half, 56 percent, was spent on food at home; the remaining 44 percent, was spent on food prepared away from home, such as restaurant meals, carry-outs, board at school, and catered affairs. This was above the 41 percent average for food away from home for the Nation, the 40 percent average for Cleveland, and the 42 percent average for Chicago and Detroit.

Apparel and related services accounted for 5.0 percent of total expenditures in Cincinnati. This was about the same as the national average and below the 5.5 percent spent by Chicago area consumers.

Cincinnati household expenditures for personal insurance and pensions accounted for 8.5 percent of total consumer spending. Social Security and pensions accounted for 84 percent of spending in this category.

Reported out-of-pocket expenses for health care in Cincinnati accounted for 6.3 percent of total expenditures. This was above the national average of 5.3 percent. Cincinnati area households spent more on health care than consumers in any of the eight Midwestern cities for which comparable data are available.

Accounting for 1.1 percent of a household's total budget, spending on education in Cincinnati was slightly below the national average of 1.6 percent. Local consumers had close to National average spending patterns for entertainment, personal care products and services, and reading materials.

#

Additional Data Available

Data tables are available for the four Census regions and for the national average. These tables may be obtained from the Bureau's automated Fax-on-Demand service. See below. Additional tables are offered under the heading "Tables" on the BLS Internet site (<http://stats.bls.gov/csxhome.htm>).

BLS Fax-on-Demand - Chicago (312) 353-1880	Number of pages	Document no.
Consumer Expenditures in 1998 - national news release (annual)	2	2705
CEX expenditure data		
By quintiles of income before taxes (Table 1)	3	2710
By income before taxes (Table 2)	3	2715
By age of reference person (Table 3)	3	2720
By size of consumer unit (Table 4)	3	2725
By composition of consumer unit (Table 5)	3	2730
By number of earners (Table 6)	3	2735
By housing tenure, race, Hispanic origin, and type of area - urban or rural (Table 7)	3	2740
By region of residence (Table 8)	3	2745
By occupation of reference person (Table 9)	3	2750
By education of reference person (Table 10)	3	2760

Technical Note

The current Consumer Expenditure Survey program began in 1980. Its principal objective is to collect information on the buying habits of American consumers. The consumer expenditure data are used in a wide variety of research by government, business, labor, and academic analysts. The data are also required for periodic revision of the Consumer Price Index (CPI).

The survey consists of two components: A Diary or recordkeeping survey completed by participating consumer units for two consecutive 1-week periods, and an Interview survey in which the expenditures of consumer units are obtained in five interviews conducted every 3 months. The data presented in this release are based on integrated data from both surveys.

The metropolitan statistical areas covered by the Consumer Expenditure Survey represent areas designated by the U.S. Office of Management and Budget and are based on definitions in effect as of December 1992. Due to a change in sampling frame and in area definitions, local data for the 1997-98 period are not directly comparable to data prior to 1996. The following are definitions of the areas discussed in this release:

Cincinnati-Hamilton, IN-OH-KY, area is comprised of the counties of Dearborn and Ohio in Indiana, Brown, Clermont, hamilton, Warren in Ohio, and Boone, Campbell, Gallatin, Grant, Kenton, Pendleton in Kentucky.

Chicago-Gary-Kenosha, IL-IN-WI, includes the counties of Cook, Dekalb, DuPage, Grundy, Kankakee, Kane, Kendall, Lake, McHenry, and Will in Illinois; Lake and Porter in Indiana; and Kenosha in Wisconsin.

Cleveland-Akron, OH, includes the counties of Ashtabula, Cuyahoga, Geauga, Lake, Lorain, Medina, Portage, and Summit.

Detroit-Ann Arbor-Flint, MI, includes the counties of Genesee, Lapeer, Lenawee, Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne.

Definitions

Consumer unit A single person living alone or sharing a household with others but who is financially independent; members of a household related by blood, marriage, adoption, or other legal arrangement; or two or more persons living together who share responsibility for at least 2 out of 3 major types of expenses - food, housing, and other expenses. The terms household or consumer unit are used interchangeably for convenience.

Complete income reporter In general, a consumer unit that provides values for at least one of the major sources of its income such as wages and salaries, self employment

income, or Social Security income. Even complete income reporters may not have provided a full accounting of all income from all sources.

Table 1. Average annual expenditures, U.S. average and selected Midwestern metropolitan statistical areas, Consumer Expenditure Survey, 1997-98

Item	United States Average	Cincinnati	Chicago	Cleveland	Detroit
Income before taxes <u>1/</u>	\$40,770	\$48,656	\$43,160	\$42,142	\$43,557
Average annual expenditures	\$35,097	\$36,772	\$36,497	\$36,450	\$35,658
Food	4,789	5,055	4,978	5,027	5,057
Food at home	2,830	2,843	2,874	3,006	2,920
Food away from home	1,960	2,213	2,105	2,021	2,137
Alcoholic beverages	309	342	312	321	331
Housing	11,509	12,091	13,071	11,721	11,789
Shelter	6,513	6,784	7,695	6,345	6,809
Utilities, fuels and services	2,408	2,389	2,598	2,604	2,505
Household operations	543	822	559	468	492
Housekeeping supplies	469	398	592	476	404
Household furnishings	1,576	1,698	1,627	1,829	1,580
Apparel and services	1,704	1,831	2,007	1,993	1,652
Transportation	6,539	6,481	5,859	6,658	7,069
Vehicle purchases (net outlay)	2,851	2,704	2,557	3,030	2,629
Gasoline and motor oil	1,057	1,109	982	939	1,055
Other vehicle expenses	2,218	2,226	1,766	2,331	2,915
Public transportation	413	441	554	359	470
Health care	1,872	2,312	1,976	1,518	1,604
Entertainment	1,756	1,885	1,828	2,273	2,295
Personal care	401	339	440	398	431
Reading	162	179	157	212	168
Education	575	410	811	795	305
Tobacco	268	394	239	330	352
Miscellaneous	854	1,057	773	842	830
Cash contributions	1,056	1,262	872	837	872
Personal insurance and pensions	3,303	3,135	3,173	3,542	2,903

1/ Components of income and taxes are derived from "complete income reporters" only: see definitions

Table 2. Consumer unit characteristics and distribution of expenditures, U.S. average and selected Midwestern Metropolitan Statistical Areas, Consumer Expenditure Survey, 1997-98

Item	United States Average	Cincinnati	Chicago	Cleveland	Detroit
Income before taxes ^{1/}	\$40,770	\$48,656	\$43,160	\$42,142	\$43,557
Age of reference person	47.7	47.2	48.1	48.6	48.6
Earners	1.3	1.5	1.4	1.3	1.3
Vehicles	2.0	2.0	1.6	2.1	2.0
Percent homeowner	64	63	64	71	72
Average annual expenditures	\$34,097	\$36,772	\$36,497	\$36,450	\$35,658
Percent distribution:	100.0	100.0	100.0	100.0	100.0
Food	13.6	13.7	13.6	13.8	14.2
Food at home	8.1	7.7	7.9	8.2	8.2
Food away from home	5.6	6.0	5.8	5.5	6.0
Alcoholic beverages	.9	.9	.9	.9	.9
Housing	32.8	32.9	35.8	32.2	33.1
Shelter	18.6	18.4	21.1	17.4	19.1
Utilities, fuels and services	6.9	6.5	7.1	7.1	7.0
Household operations	1.5	2.2	1.5	1.3	1.4
Housekeeping supplies	1.3	1.1	1.6	1.3	1.1
Household furnishings	4.5	4.6	4.5	5.0	4.4
Apparel and services	4.9	5.0	5.5	5.5	4.6
Transportation	18.6	17.6	16.1	18.3	19.8
Vehicle purchases (net outlay)	8.1	7.4	7.0	8.3	7.4
Gasoline and motor oil	3.0	3.0	2.7	2.6	3.0
Other vehicle expenses	6.3	6.1	4.8	6.4	8.2
Public transportation	1.2	1.2	1.5	1.0	1.3
Health care	5.3	6.3	5.4	4.2	4.5
Entertainment	5.0	5.1	5.0	6.2	6.4
Personal care	1.1	.9	1.2	1.1	1.2
Reading	.5	.5	.4	.6	.5
Education	1.6	1.1	2.2	2.2	.9
Tobacco	.8	1.1	.7	.9	1.0
Miscellaneous	2.4	2.9	2.1	2.3	2.3
Cash contributions	3.0	3.4	2.4	2.3	2.4
Personal insurance and pensions	9.4	8.5	8.7	9.7	8.1

^{1/} Components of income and taxes are derived from "complete income reporters" only: see definitions.